

Application Process Guidance Note

Malta Gaming Authority



Contents

1	The Gaming Licence Application Process	3
1.1	Application Accepted/Application Incomplete	3
1.2	Application Review.....	3
1.3	Fit & Proper Review.....	4
1.4	Funding Review.....	4
1.5	Business Plan & Operating Policies & Procedures review	4
1.6	Technical Set-up Review & System Audit.....	4
1.7	Clarifications or requests for further information	5
1.8	Licence Approved or Rejected.....	5
2	Share Capital Requirements.....	5

The same application review process is undertaken for the several B2B and B2C licence process, although different documents and procedures are required depending on the type of licence being applied for. The Authority advises that the [System Documentation Checklist](#) is consulted prior to initiating a new Gaming Licence Application since this includes a list of all the documents required for the different licence types.

Any company incorporated in the EU/EEA is eligible to apply for a Gaming Licence, however the entity applying for the licence needs to ensure that it meets the required Share Capital requirements and the annual Financial Statements reporting requirements, in order to be able to proceed.

1 The Gaming Licence Application Process

1.1 Application Accepted/Application Incomplete

Applications need to be complete, and all the required information needs to be uploaded through LRMS before an application is deemed to be submitted. Once an application is received, it is reviewed and any incomplete applications will be set to a one-time 'Incomplete' mode for sixty days. If the application is not resubmitted in full, whereby any missing sections and/or documents are filled in and/or uploaded successfully within this period, the application will be rejected and will be closed off.

As part of the application, any Ultimate Beneficial Owners, Directors, and Key Persons need to personally submit a [Personal Declaration Form](#) ('PDF').

Once the PDF is submitted, a "Request for Involvement Approval" will be automatically created on the Company Portfolio's timeline. The involvement approval will be in the Involvements step within the Gaming Licence Application. These involvements will be created on the submission of the Change in Personal Details application. This application will allow anyone with access rights to the Company Portfolio to approve or reject any involvement requests.

1.2 Application Review

At the application stage, the MGA assesses whether an applicant:

- i. Is fit and proper to conduct gaming business;
- ii. Has a viable business strategy;
- iii. Satisfies statutory requirements and has the operational capacity needed to meet the obligations prescribed by law and policy; and,
- iv. Has correctly implemented what has been applied for on a technical environment before going live.

1.3 Fit & Proper Review

As part of this process, the MGA conducts a fitness and propriety test on the applicant by assessing all information related to its shareholders, UBOs, relevant key persons, as well as the operation's business viability. The MGA also conducts probity investigations with other national and international regulatory bodies.

1.4 Funding Review

The Authority assesses the Source of Funds of the applicant and the source and extent of the wealth of its Ultimate Beneficial Owners (UBOs).

- Source of Wealth is the economic activity or activities that generate the UBO's wealth. This may be comprised of, for instance, income through employment or business, or inheritance.
- Source of Funds is the activity, event, business, occupation, or employment generating the funds used for the gaming operations of the applying entity.

Assessing the Source of Wealth & Funds includes:

- i. Confirming that UBOs are fiscally stable to sustain the licence during its life cycle; and
- ii. Verifying that the sources are legitimate.

1.5 Business Plan & Operating Policies & Procedures review

The MGA conducts a detailed analysis of the proposed business operations, their viability, funding, and an in-depth financial analysis of the applicant's forecast financials. The applicant's business plan is expected to have a detailed forecast of the operation, inclusive of marketing and distribution strategies and growth targets.

Furthermore, this process includes examining incorporation documents and the operating policies and procedures, as per the [System Documentation Checklist](#).

1.6 Technical Set-up Review & System Audit

This process includes the review of the technical documentation of the gaming and control system. Once the review is successfully completed, the MGA will inform the applicant to implement the systems onto a technical environment in preparation to going live. The applicant will be allowed 60 days to complete this operation. At any point within those 60 days the applicant may trigger a request for an external System Audit (performed by an independent 3rd party from the pre-approved list of Service Providers). The System Audit will review the staged environment against the submitted policies and procedures.

The [System Audit Checklist](#) provides a list of what will be audited during the system review.

1.7 Clarifications or requests for further information

The Authority may ask for further information with respect to the application. The application will be set to 'amendments required' for the applicant to submit any further documentation as may be required.

Any **major changes** occurring throughout the term of a licence application, prior to the approval of the licence will require a new licence application to be submitted accordingly. Major Changes can be defined as:

- Any changes affecting more than 75% equity ownership, control or funding of the prospective applicant;
- Any changes that require a new Business Plan to be submitted, such as major changes to the products to be offered or the respective markets, requiring the submission of revised Financial Projections; and
- Any other changes that would necessitate a new review of the submitted policies and procedures and other documentation.

In order to aid applicants, in cases of major changes, any information submitted to the Authority that would still be valid will not need to be resubmitted again. However, any other updated documents, forms and/or information, together with the application form details will still need to be submitted in full through the LRMS together with the respective application fee.

1.8 Licence Approved or Rejected

Once the application review is successfully completed, the applicant will be issued a Gaming Licence which is valid for 10 years.

2 Share Capital Requirements

A licensee is subject to minimum issued and paid-up share capital gaming requirements. The minimum share capital requirement depends on the licence being applied for.

In the case of a 'B2C' gaming service licence, the share capital requirements depend on the game type, as indicated below:

- Type 1 – Minimum €100,000
- Type 2 – Minimum €100,000
- Type 3 – Minimum €40,000
- Type 4 – Minimum €40,000

Companies with multiple type approvals are required to meet the above share capital requirements cumulatively up to a minimum capping of €240,000.

